

【 For immediate release 】



JINCHUAN 金川

Jinchuan Group International Resources Co. Ltd

金川集團國際資源有限公司

(2362.HK)

**Jinchuan International (02363.HK) Announces
Interim Results for the Six Months Ended 30 June 2016
Revenue Amounted to Approximately US\$172.0 Million**

Financial Highlights

	For the six months ended 30 June	
	2016 (unaudited)	2015 (unaudited)
(US\$'000)		
Revenue	171,970	255,771
Gross (Loss) Profit	(9,008)	6,600
EBITDA	(4,833)	13,048
Loss for the Period Attributable to Owners of the Company	(15,736)	(168,392)
Basic Loss per Share (US cents)	(0.36)	(3.87)
Diluted Loss per Share (US cents)	(0.36)	(3.87)
	At 30/6/2016	At 31/12/2015
	(unaudited)	(audited)
Total Equity	740,230	760,960
Gearing Ratio	49.2%	45.4%

(18 August 2016, Hong Kong) ----- Jinchuan Group International Resources Co. Ltd (the "Company", together with its subsidiaries, collectively referred to "the Group" or "Jinchuan International", Stock Code: 2362.HK) today announced its interim results for the six months ended 30 June 2016 ("Period Under Review"). The revenue for the six months ended 30 June 2016 was US\$172.0 million, representing a decrease of 32.8% compared with US\$255.8 million for the six months ended 30 June 2015. The decrease was mainly due to decrease in revenues from two business segments, namely Mining Operations and Trading segment. The decrease in revenue from Mining Operations was due to the decrease in the sales volume for the six months ended 30 June 2016, with copper volume decreasing by 11.7% and cobalt sales decreasing by 21.9%, compared to sales volumes for the six months ended 30 June 2015. Revenue was also affected negatively by the decrease in the copper and cobalt price in the market due to the volatility in the commodities market. Average copper price received for the six months ended 30 June 2016 was US\$4,468 per tonne, representing a decrease of 23.7% compared to that for the six months ended 30 June 2015. Average cobalt price received for the Period Under Review recorded a decrease of 17.8% compared to the same period last year. In addition, the activities of the trading segment are all copper-related, recorded a considerable decrease in revenue of 31.6% from US\$79.8 million for the six months ended 30 June 2015 to US\$54.6 million for the six months ended 30 June 2016. The decrease in revenue was mainly due to the significant decrease of approximately 19,400 tonnes of copper concentrate by 75.9%, the decline in the copper price due to the volatility in the copper market, and net off with a mild increase of approximately 1,200 tonnes of copper blister by 12.5%.

The Group recorded a gross loss of US\$9.0 million for the six months ended 30 June 2016 as compared to a gross profit of US\$6.6 million for the six months ended 30 June 2015. Predominantly, this is attributable to the Group's Mining Operations, gross loss of US\$9.6 million as compared with gross profit of US\$5.4 million for the corresponding period of 2015 due to the relatively lower copper price in the market over the period under review and a decrease in production volume. Loss attributable to the owners of the company amounted to approximately US\$15.7 million, representing a decrease of 90.7% as compared with that of US\$168.4 million for the same period last year. Basic loss per share for the six-months ended 30 June 2016 was US 0.36 cents (six-months ended 30 June 2015: US 3.87 cents).

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

BUSINESS REVIEW

Mining Operations

The Mining Operations segment is overseen by Metorex, which is headquartered in South Africa. Metorex has run two Operating Mines in Africa which are the Ruashi Mine, a copper and cobalt mine located in the DRC and the Chibuluma South Mine (including the Chifupu deposit), a copper mine located in Zambia. During the six month period ended 30 June 2016, Metorex produced 20,333 tonnes of copper and 1,754 tonnes of cobalt, and sold 20,355 tonnes of copper and 1,674 tonnes of cobalt which generated sales of US\$90.9 million and US\$26.5 million respectively.

Metorex also oversees the development of the Kinsenda Project, a brownfield copper project under construction and located in the DRC, as well as two advanced stage exploration projects located in the DRC, namely the Musonoi Project, which is a greenfield copper and cobalt project; and the Lubembe Project, which is a greenfield copper project.

Trading of Mineral and Metal Products

During the six months ended 30 June 2016, the Company purchased and sold a total of approximately 10,563 tonnes (2015: 9,386 tonnes) of copper blister and 6,166 tonnes (2015: 25,567 tonnes) of copper concentrate to customers over its Mineral and Metal Products Trading business. Its revenue from sales of copper blister and copper concentrate for the six months ended 30 June 2016 amounted to US\$49.3 million, US\$5.3 million respectively (2015: US\$52.9 million and US\$26.9 million respectively).

During the six months ended 30 June 2016, a shipment of remaining 6,166 tonnes copper concentrate was sourced from a European supplier under a 2015 contract and sold all to the Company's ultimate holding company (Jinchuan Group). Since then, no renewal contract of copper concentrate for 2016 has been entered into. The copper blister was sourced from a Zambian producer under a renewed 2016 contract with annual quantity of 20,000 tonnes and sold directly to copper refineries in China as well as through traders and also a joint venture partner of Jinchuan Group.

Mr. Yang Zhiqiang, the Chairman of Jinchuan Group and the Chairman of the Board of the Directors of Jinchuan International said, “For first half of 2016, commodities, in particular, copper and cobalt price remain sluggish, which had a material impact on the Group’s 2016 first half results. Although we have reduced costs by continuously strengthening cost control, and through technical reformation with, the financial performance in first half of 2016 has significantly improved as compared to the corresponding period of last year, the Company’s overall results still failed to meet our target because copper price has further decreased compared to last year. Apart from our operating mines of Ruashi Mine and Chibuluma South Mine in our African mining operations, there are encouraging upcoming development for other two mines in the pipeline. We look forward to the production of first ore underground from Kinsenda Project in the fourth quarter of 2016; and recommissioning of on-site processing plant in first quarter of 2017. Musonoi Project, a quality copper and cobalt property with the same shareholding as Ruashi Mine, has undergone its optimisation and is moving to its next stage of development phase upon raising the appropriate funding. Going forward, global politics and economy remain turbulent and complicated; however, commodities price has gradually steadied and showed signs of bottoming after falling cliff-style over the past few year. In the coming year, the Group strives to focus on the four areas. Firstly, exercise all necessary measures to turn Metorex Group, our mining operations group in Africa, into a profitable mining company. Secondly, enhance, consolidate and strengthen our international trading business segment. Thirdly, actively seek opportunities to further develop into new businesses. Fourthly, leveraging on the advantage of Hong Kong as an international financial center to strongly engage in investment and financing businesses. With the emphases on the above four areas, JCI also plans to leverage on its parent company Jinchuan Group’s experience and skills in areas such as mining, concentrating and metallurgy of non-ferrous metal, equipment manufacturing, engineering design, construction, industrial automation and operation management, to vigorously expand its businesses and services in such areas, and ultimately, to establish JCI as a world-class mining company that focuses on selling copper and cobalt products, with systematic integration of mining, concentrating and metallurgy process from upstream to downstream and jointly developed trading and related businesses, to repay its shareholders, community and country.”

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About Jinchuan Group International Resources Co. Ltd

Jinchuan International is a Hong Kong listed company established by the Jinchuan Group Co., Ltd for the purposes of accelerating the establishment of the mining group’s multinational operational strategy and elevating Jinchuan Group’s global investing, financing and operating capabilities. By virtue of Hong Kong’s advantages as an international financial and trade center, and through the Company’s focus on an internationalized operating strategy, the Company has established itself as the flagship platform for the Jinchuan Group to develop its overseas non-ferrous metal mining business. The Company is primarily engaged in the development of overseas mining resources projects, capital operation and assets management of overseas mining resources projects, as well as trading of raw materials and products of nickel, copper, cobalt and precious metals.

About Jinchuan Group Co., Ltd

Jinchuan Group Co., Ltd, founded in 1958, is a state-owned enterprise with its majority interest held by the People’s Government of Gansu Province. Jinchuan Group specializes in mining, concentrating, metallurgy, chemical engineering and further downstream processing. Jinchuan Group is widely recognized as a renowned mining corporation and is the fourth largest nickel producer and second largest cobalt producer in the world and the third largest copper producer in the PRC.

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